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New legislation could aid Ionia, St. Johns hospitals

LANSING – Newly passed legislation could allow hospitals in Ionia and St. Johns to recoup more of their costs when treating Medicare patients, Sen. Alan Cropsey, R-DeWitt, announced today.

“These small hospitals have the same fixed costs for equipment as larger hospitals but they have fewer patients to balance out those costs,” Cropsey said. “Being part of this federally funded program helps residents of Ionia and Clinton access quality health care.”

The legislation would allow more hospitals to be designated as being rural, primary-care hospitals by expanding the population limit of a city and county. Hospitals could win that designation if they are located in a city of no more than 12,000 and a county of no more than 110,000.

The change could allow hospitals in Ionia and St. Johns to be considered rural and, thus, receive greater reimbursement for services provided under the federal rural hospital program. Those two hospitals are seeking rural-hospital designation.

HB 6245 now heads to the governor for consideration.

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